

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C.**

In the matter of:

Verizon Wireless Petition Pursuant
To 47 U.S.C. § 160 For Partial
Forbearance From The
Commercial Mobile Radio Services
Number Portability Obligation

WT Docket No. 01-184

CC Docket No. 99-200

COMMENTS OF THE IOWA UTILITIES BOARD

The Iowa Utilities Board (IUB) is the public utility regulatory agency of the State of Iowa, with responsibility for regulation of jurisdictional telecommunications services. See Iowa Code ch. 474, 476 (2001). The IUB submits these comments in response to the petition filed in this docket by Verizon Wireless (Verizon). The IUB does not believe Verizon's request provides sufficient, persuasive evidence that wireless service providers should be permanently excused from fulfilling their number portability obligations. Local number portability (LNP) may be an important requirement if local exchange service competition, especially wireline-to-wireless competition, is ever to realize its potential. The petition for forbearance should not be granted until the Commission has sufficient, reliable information to establish whether wireless LNP is necessary.

Wireless LNP May Increase Wireless-To-Wireless Competition

Verizon states in its petition that “Customer choice is not impeded by personal attachment to a wireless phone number.” (Verizon petition, page 29.) However, it seems likely that the industry’s long-term contracts and the inability of customers to keep their phone numbers when changing service providers contributes to the current low turnover rate in the wireless industry. If this is the case, the ability to retain one’s wireless phone number when changing service providers would increase the level of consumer choice in wireless carriers. Given the opportunity to keep their current wireless numbers, customers would be more likely to shop for the best rates and service they can find.

Wireless LNP May Also Be A Factor In Future Wireless-To-Wireline Competition

To the extent that some consumers are already relying upon wireless as their primary form of local exchange service, the ability of these consumers to change to a wireline provider (or to *any* other provider) is likely to be hampered by the lack of LNP. Few customers will accept changing their primary telephone number every time they change service providers. If the number of customers using wireless service as their primary local exchange service continues to increase, the lack of wireless LNP could become a barrier to competition.

The extent of that potential barrier is unknown. Verizon states that wireless LNP is unnecessary to achieve the FCC’s goals regarding efficient number utilization and implies that the benefits of wireless LNP are therefore outweighed by the implementation costs. However, Verizon offers no reliable evidence to support its

argument.

First, Verizon has not quantified its costs for implementing full portability. Verizon has listed the types of technical changes that must be made to its network to comply with the LNP mandate, but Verizon offers no cost estimates, either on a total cost basis or as projected per-customer costs. By itself, this makes it nearly impossible to evaluate Verizon's claims that the costs of wireless LNP outweigh the benefits.

Second, Verizon does not offer any reliable evidence regarding the potential benefits of implementing LNP. LNP may be an important element of future local exchange competition between wireless and wireline providers, because the state regulatory experience in a similar situation shows that customers have a strong aversion to changes in their primary telephone numbers.

When a state undertakes area code relief, all telecommunications customers experience varying degrees of inconvenience and expense. If the chosen relief is a split, some customers must change their area code. An area code change is less inconvenient to the customer than a change in their regular seven-digit local number, but telephone customers still find it an expensive and inconvenient proposition. Customers will not accept that burden without good reason. This means that if wireless carriers are not required to implement LNP and they begin to compete with wireline carriers on a primary service basis, customers will have a tendency to stay with their wireless service providers even if other carriers offer better deals. Thus, the lack of wireless LNP could become an impediment to customer choice in the local exchange service marketplace, and therefore a barrier to effective competition.

All of this assumes that wireless will be an increasingly-viable competitor for primary wireline service. If that occurs, wireless telephone numbers will have the same customer value as wireline numbers and LNP will be necessary to ensure fair competition. Without any objective assessment of the extent to which wireless customers value their telephone numbers and how much of an impediment this is to changing carriers, however, it is difficult, if not impossible, for the Commission to evaluate this potential benefit and weigh it against the unknown costs.

The IUB suggests that Verizon's petition does not contain adequate information to support permanent forbearance. Permanent forbearance may not be a good solution given the evolving role of wireless in the local exchange market. The Commission should put the wireless industry on notice that any future petitions for forbearance must include the data the Commission will need to make a long-term decision. This would include:

1. Detailed information regarding the cost of implementing wireless LNP;
2. Reliable information regarding customer attitudes toward their wireless telephone numbers, such as independent surveys of wireless customers to determine whether they would be more likely to change service providers if they could retain their telephone number when doing so; and
3. An industry evaluation of the potential for wireless service to become a widely-acceptable alternative to basic, wireline local exchange service.

If the wireless industry needs additional time to assemble this information, it may be

appropriate to grant them a further extension of the implementation deadline, for a period not to exceed 18 months.

Respectfully submitted,

/s Allan Kniep

Allan Kniep
General Counsel

/s William H. Smith, Jr.

William H. Smith, Jr.
Federal And Legislative Programs
Coordinator

/s Randy Thoesen

Randy Thoesen
Utility Analyst

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Iowa Utilities Board
350 Maple St.
Des Moines, IA 50319
515-281-6188 (voice)
515-281-5329 (fax)